

PIERCE STREET COMMONS - FINANCED

1946 Pierce St PURCHASE \$3,139,000 DOWN PAYMENT \$1,649,500 LTV: 60% APR: 6.5% NOTES

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Revenue * (+5% / yr)										
Rent	\$286,200.00	\$300,510.00	\$315,535.50	\$331,312.28	\$347,877.89	\$365,271.78	\$383,535.37	\$402,712.14	\$422,847.75	\$443,990.14
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
NET RENT	\$286,200.00	\$300,510.00	\$315,535.50	\$331,312.28	\$347,877.89	\$365,271.78	\$383,535.37	\$402,712.14	\$422,847.75	\$443,990.14
Vacancy 0%	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL REVENUE	\$286,200.00	\$300,510.00	\$315,535.50	\$331,312.28	\$347,877.89	\$365,271.78	\$383,535.37	\$402,712.14	\$422,847.75	\$443,990.14
Expenses (+3% / yr)										
Water/Sewer	\$6,600.00	\$6,798.00	\$7,001.94	\$7,212.00	\$7,428.36	\$7,651.21	\$7,880.75	\$8,117.17	\$8,360.68	\$8,611.50
Electricity	\$600.00	\$618.00	\$636.54	\$655.64	\$675.31	\$695.56	\$716.43	\$737.92	\$760.06	\$782.86
Misc.	\$3,000.00	\$3,090.00	\$3,182.70	\$3,278.18	\$3,376.53	\$3,477.82	\$3,582.16	\$3,689.62	\$3,800.31	\$3,914.32
Management	\$12,000.00	\$12,360.00	\$12,730.80	\$13,112.72	\$13,506.11	\$13,911.29	\$14,328.63	\$14,758.49	\$15,201.24	\$15,657.28
RE Tax	\$36,240.00	\$37,327.20	\$38,447.02	\$39,600.43	\$40,788.44	\$42,012.09	\$43,272.46	\$44,570.63	\$45,907.75	\$47,284.98
Insurance	\$12,000.00	\$12,360.00	\$12,730.80	\$13,112.72	\$13,506.11	\$13,911.29	\$14,328.63	\$14,758.49	\$15,201.24	\$15,657.28
Waste	\$3,600.00	\$3,708.00	\$3,819.24	\$3,933.82	\$4,051.83	\$4,173.39	\$4,298.59	\$4,427.55	\$4,560.37	\$4,697.18
Internet	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL EXPENSES	\$74,040.00	\$76,261.20	\$78,549.04	\$80,905.51	\$83,332.67	\$85,832.65	\$88,407.63	\$91,059.86	\$93,791.66	\$96,605.41
NET INCOME	\$212,160.00	\$224,248.80	\$236,986.46	\$250,406.77	\$264,545.22	\$279,439.13	\$295,127.74	\$311,652.28	\$329,056.09	\$347,384.73
CAP RATE	6.76%	7.14%	7.55%	7.98%	8.43%	8.90%	9.40%	9.93%	10.48%	11.07%
DEBT SERVICE **	\$119,268.00	\$119,268.00	\$119,268.00	\$119,268.00	\$119,268.00	\$119,268.00	\$119,268.00	\$119,268.00	\$119,268.00	\$119,268.00
\$9,939.00 (30yr, 7.5%, 50% dwn)										
BEFORE TAX CF	\$92,892.00	\$104,980.80	\$117,718.46	\$131,138.77	\$145,277.22	\$160,171.13	\$175,859.74	\$192,384.28	\$209,788.09	\$228,116.73
Initial Cash Investment: (40%)	\$1,572,500.00	\$1,572,500.00	\$1,572,500.00	\$1,572,500.00	\$1,572,500.00	\$1,572,500.00	\$1,572,500.00	\$1,572,500.00	\$1,572,500.00	\$1,572,500.00
ROI	0.059072814	0.066760445	0.074860708	0.083395083	0.092386147	0.101857635	0.111834493	0.122342944	0.133410551	0.145066282
(Cash on Cash Return)	5.907%	6.676%	7.486%	8.340%	9.239%	10.186%	11.183%	12.234%	13.341%	14.507%

IRR (Internal Rate of Return)

Resale Value	7% (Cap Rate)									
Resale cost	6%									
Unpaid Mtg Balance										
Equity	\$ (1,572,500)	\$92,892.00	\$104,980.80	\$117,718.46	\$131,138.77	\$145,277.22	\$160,171.13	\$175,859.74	\$192,384.28	\$209,788.09
BFTC + Equity										
IRR	19.86%									

\$4,452,175.43
(267,131)
0.00
\$4,185,045
4,360,905

Internal Rate of Return

The internal rate of return is the interest rate received for an investment consisting of payments (negative values) and income (positive values) that occur at regular periods. Essentially, it allows you to find the interest rate that is equivalent to the dollar returns you expect from your project. Once you know the rate, you can compare it to the rates you could earn by investing your money in other projects or investments.

If the internal rate of return is less than the cost of borrowing used to fund your project, the project may be a money-loser.

Essentially, this is the return that a company would earn if it expanded or invested in itself, rather than investing that money elsewhere.

Cost Of Borrowing If you are planning to finance the purchase and you know what the interest rate on the loan would be, you can use the rate charged on the loan as the cost of borrowing
Example: Interest rate of 6% compounded over the life of the loan for the project.

DISCLAIMERS

- All numbers and data are based on Stated Income per Seller | Owner. Purchaser is responsible to verify actual numbers
- The projections presented herein are forecasts based on assumptions of future events. No explicit or implicit warranty is made as to the accuracy of these projections. Purchaser is responsible to verify actual numbers.
- Debt service; monthly payment x 12, based on purchase at full asking price with 75% LTV